



WAJAX 2022 SUSTAINABILITY REPORT

\\ Together We Get More Done.™

Sustainability at Wajax

As an organization, we believe individuals, communities, and organizations all need to play their part in addressing societal and environmental challenges that lay ahead. This is important to Wajax because it is the right thing to do, and because we have an obligation to manage the Corporation in a socially, environmentally and progressive fashion.



Wajax is committed to supporting the United Nations' Sustainable Development Goals as applicable to our operations.

Growing Commitment to Sustainability

In 2022, our broader sustainability program gained momentum as we further incorporated Environmental, Social and Governance (“ESG”) priorities into our operational culture along with our board and committee mandates. We also worked hard to improve our employees’ working lives and the lives of those in the communities around us. In short, in 2022 Wajax was a safer, greener, more employee-, customer- and community-focused organization, with stronger governance practices, than ever before.

Sustainability Roadmap		
Area	Priorities	Progress
Environment	<ul style="list-style-type: none"> Reduce our carbon footprint from owned or controlled sources. Offer increasingly sustainable products, support renewable industries, and help customers meet their own environmental goals. 	<ul style="list-style-type: none"> Conducted LED lighting upgrades and other initiatives resulting in a combined 279 tCO₂e GHG reduction from Scope 2 emissions. Avoided another 2,458 tCO₂e GHG through recycling. Conducted energy audits at six branches to determine further GHG reduction opportunities. Established environmental priorities and carbon reduction targets that align with The Science Based Targets Initiative's (“SBTi”) Well-Below-2C (“WB2C”) scenario, and a strategy with goals and near-term actions to achieve targets⁽¹⁾. 2,200 wind turbines serviced. 4,200 diesel engine components remanufactured.
Social	<ul style="list-style-type: none"> Focus on employee health, safety and well-being as a core value. Give back to the community. Support diversity and equal opportunity. 	<ul style="list-style-type: none"> Delivered our safest year on record. Received validation of our Health and Wellness program at the Gold Level with Excellence Canada. Record charitable giving of \$260,000, up 108% from last year. Increased representation of women in skilled trades, frontline roles, management, and on the board of directors. Supported indigenous communities in their post-secondary journeys; re-hired retirees as well as Ukrainian refugees.
Governance	<ul style="list-style-type: none"> Enhance ESG governance for future disclosures and regulated reporting e.g., TCFD and Scope 3. Uphold high ethical standards in the conduct of our business. 	<ul style="list-style-type: none"> Added Indirect GHG emissions from employee travel (air), in addition to downstream transportation, to partial Scope 3 baseline. Enshrined ESG oversight in the Board Mandate and the Charters of the Governance, Audit and Human Resources and Compensation committees of the board. Continued to deepen our understanding and remained current with ESG regulatory and industry trends.

(1) For GHG emission targets, Wajax is adopting the SBTi's criteria but have not submitted for validation.



Q&A with Cristian Rodriguez, Vice President, Environment, Health and Safety, and Sustainability

Q: Can you describe Wajax's overall approach to sustainability?

A: In recent years, Wajax has significantly increased its commitment to sustainability, recognizing this is critical to our role as a good corporate citizen. The early part of our journey has focused on employee safety while we conducted materiality assessments and developed environmental benchmarks and baselines, before beginning to release our longer-term goals, which we began to do last year. Given our nationwide presence and heavy reliance on our employees to meet the varied needs of our customers, we are working to build a strong position with respect to social initiatives both within the Corporation and in the communities we serve. We also continue to make progress on the environmental and governance elements of our overall sustainability strategy.

Q: Hiring and retaining skilled employees remains a challenge for businesses – how is Wajax addressing the issue?

A: At Wajax, people are our most critical resource. We want our employees to reach their maximum potential, over a long career, with an organization that respects and values them. Our overriding focus has been on our team members' whole health and well-being, and we have received numerous accolades, including this past year, for our mental and workplace health programs in particular. Beyond ensuring we offer competitive compensation and equal opportunities, we have deployed numerous initiatives to help attract and retain key personnel throughout their career lifecycle. These include enhanced onboarding practices, comprehensive training opportunities at all position levels, multiple learning paths, flexible work arrangements, increasingly valuable health benefits and whole well-being programs, employee recognition initiatives, and the opportunity for team members to provide constructive feedback across the board. We are also actively advancing women in skilled trades, supporting indigenous communities in their post-secondary education journeys, hiring retirees to address generational knowledge gaps and support retention and transfer of skills, and hiring Ukrainian refugees. In combination, we feel these initiatives make Wajax an employer of choice in the marketplace as evidenced by the improvement in our employee Net Promoter ScoreSM this year.

Q: What is Wajax doing to fight climate change?

A: Wajax is employing a multi-pronged approach to fight climate change. In addition to reducing our own carbon footprint from the emission sources we control, we are working with our OEM partners and parts suppliers to bring to market increasingly green products and services that help customers achieve their own sustainability targets; offering engineering solutions to the renewable energy sector, which keeps turbine and non-emitting sources of electricity, like wind generation, running; and remanufacturing key components, which reduces the use of raw materials and helps minimize the supply chain carbon footprint.



Wajax is doing its part to reduce its impact on the environment to help ensure that the planet thrives for future generations.

Wajax has significantly increased its commitment to sustainability, recognizing this is critical to our role as good corporate citizens.

4% reduction
in electricity associated
GHG emissions

85% diverted
hazardous waste
through recycling

0.84 TRIF rate⁽¹⁾

\$260,000
charitable contributions in 2022



Gold certification in Healthy Workplace® and Mental Health at Work®

Wajax is committed to being a good steward of the environment. We want to ensure that our operations are managed with a clear focus on minimizing their environmental impact and will increasingly target initiatives that lower energy intensity and reduce waste.

On the Path to Net-Zero

In 2022, Wajax established greenhouse gas (“GHG”) reduction targets that align with SBTi’s WB2C scenario. Our short-term goal is a 10% reduction in GHG by 2025 and 25% reduction by 2030. Wajax aspires to be net-zero by 2050 through a combination of energy efficiency measures and other emission reduction and offset programs.

Reducing GHG Emissions

Facility and Infrastructure Upgrades

LED lighting upgrades and other initiatives resulted in a combined 279 tCO₂e GHG reduction in 2022. This is equivalent to an approximate 4% reduction in electricity-associated GHG emissions, or 1% reduction of total Scope 1 and 2 emissions. Energy audits were conducted to identify further energy efficiency opportunities that could be piloted in 2023, including building automation systems, heat economizers and variable frequency drives. Waste recycling and landfill diversion continues to be a priority with a 2,458 tCO₂e GHG avoided through recycling activities and the further expansion of our waste management program.

Last year Wajax made significant strides toward mitigating the risks associated with spills. Specific initiatives included training associated with prevention, while also implementing additional procedures around incident tracking and corrective actions so that key learnings could be shared across the organization. As part of this ongoing initiative, in 2022 Wajax initiated a three-year tank replacement project to help further minimize the risk of spills.

Offering Sustainable Products

Wajax is committed to leveraging both broad in-house expertise and partnerships with innovative vendors that deliver increasingly sustainable solutions without compromising quality or performance. The use of various solutions that reduce fuel/power consumption involves alternative fuel and power sources including hybrid, full electric and hydrogen fuel cells deployed by manufacturers such as Columbia Vehicle Group and Hyster-Yale Group which helps promote efficient fleet management and reduce GHG emissions and waste.

Over 50% of forklift sales in 2022 were for electric units.

An estimated 4,200 diesel engine components remanufactured in 2022.



Wajax supports sustainable electricity generation, with more than 2,200 wind turbines serviced in 2022 through a comprehensive suite of in-shop, in-the-field and up-tower services.

ERS Supports the Broader Use of Renewables

Wajax’s ERS business continues to support Canada’s multi-decade investment in wind power through a combination of both in-shop and up-tower services. Delom Services’ Wind Division has built a reputation for the provision of high quality electrical, mechanical and safety solutions that keep thousands of Canada’s wind turbines turning and delivering an increasingly large share of non-emitting electricity to Canada’s grid. Wajax’s nationwide branch network allows us to meet the demands of a growing number of customers’ wind power parts and service agreements at the local level.

Remanufacturing Reduces Waste

Remanufacturing of critical components extends their useful life, is often less costly than buying and shipping new ones from source, and helps mitigate supply chain challenges, all of which ultimately contributes to a lower carbon footprint. Wajax remanufactures hydraulic cylinders and rebuilds engines and engine parts. At our state-of-the-art facilities, like the one in Bathurst, New Brunswick, a broken hydraulic cylinder is disassembled, repaired, honed and tested. Every step of the process is completed in-house utilizing modern technology and the latest techniques to ensure the component is returned to OEM specifications. To reduce downtime for valued customers, a remanufactured cylinder from inventory is often sent as replacement while we await the arrival of the damaged component, which is then repaired and placed in our inventory. Likewise, skilled technicians in our Quebec City workshop rebuild engines and remanufacture parts suffering from wear, corrosion, leaks or mechanical failure. Each year Wajax remanufactures thousands of components for diesel engine rebuilds for customers in the mining, defense, on-highway and marine sectors.

Key Environmental Metrics					
Metric	What it Measures	Data			Discussion and Progress
Gasoline fuel consumed megawatt hours (MWh)	Energy consumption within the organization – fleet unleaded and premium gasoline consumption.	<div><div></div><div>6,932</div><div>2020</div></div>	<div><div></div><div>9,911⁽⁴⁾</div><div>2021</div></div>	<div><div></div><div>9,907</div><div>2022</div></div>	Fleet fuel consumption remained flat for 2022. Future replacement of fleet vehicles with hybrid and electric vehicles.
Diesel Fuel consumed megawatt hours (MWh)	Energy consumption within the organization – fleet diesel fuel consumption.	<div><div></div><div>6,569</div><div>2020</div></div>	<div><div></div><div>7,757⁶</div><div>2021</div></div>	<div><div></div><div>7,551</div><div>2022</div></div>	
Electricity consumed megawatt hours (MWh)	Energy consumption within the organization – building electricity consumption i.e. lighting and equipment operation.	<div><div></div><div>26,916</div><div>2020</div></div>	<div><div></div><div>26,251</div><div>2021</div></div>	<div><div></div><div>26,176</div><div>2022</div></div>	LED lighting upgrades at four branches in 2022.
Natural gas consumed megawatt hours (MWh)	Energy consumption within the organization – building natural gas consumption i.e. boilers for heating.	<div><div></div><div>51,941</div><div>2020</div></div>	<div><div></div><div>53,854</div><div>2021</div></div>	<div><div></div><div>58,578</div><div>2022</div></div>	See “Reducing GHG Emissions” section.
Tonnes of CO ₂ equivalent (tCO ₂ e)	Direct (Scope 1) GHG emissions from owned or controlled sources – natural gas, fleet fuel gasoline, fleet fuel diesel.	<div><div></div><div>12,243</div><div>2020</div></div>	<div><div></div><div>13,644⁽⁴⁾</div><div>2021</div></div>	<div><div></div><div>14,587</div><div>2022</div></div>	Energy audits conducted at six branches with energy reduction measures pilot planned for 2023.
	Indirect (Scope 2) GHG emissions from the generation of purchased energy – electricity.	<div><div></div><div>5,121</div><div>2020</div></div>	<div><div></div><div>5,209</div><div>2021</div></div>	<div><div></div><div>4,939</div><div>2022</div></div>	
Tonnes of CO ₂ equivalent (tCO ₂ e)	Indirect (Scope 3) GHG emissions from downstream transportation and distribution.	<div><div></div><div>N/A</div><div>2020</div></div>	<div><div></div><div>2,434</div><div>2021</div></div>	<div><div></div><div>2,435</div><div>2022</div></div>	Downstream transportation and distribution GHG’s have remained flat for top five carriers year over year. Over 2022 we initiated reducing our number of less-than-load carriers and couriers from close to 400 to a goal of 100, which will lower GHG emissions.
Tonnes of CO ₂ equivalent (tCO ₂ e)	Indirect (Scope 3) GHG emissions from employee travel.	<div><div></div><div>N/A</div><div>2020</div></div>	<div><div></div><div>N/A</div><div>2021</div></div>	<div><div></div><div>621</div><div>2022</div></div>	This is the first year we have collected employee air travel GHG emissions which will serve as a baseline.
Non-hazardous waste recycled: percent of total waste stream/tonnes recycled (t)	Non-hazardous waste recycled and landfilled such as packaging and paper products, steel, wood and scrap metal.	<div><div></div><div>565</div><div>2020</div></div>	<div><div></div><div>776</div><div>2021</div></div>	<div><div></div><div>825</div><div>2022</div></div>	The volume of recycled waste increased by 5.9% over last year through a reduction in waste contamination rates leaving more materials suitable for recycling.
Hazardous waste recycled: percent of total waste stream/tonnes recycled (t)	Hazardous waste recycled and landfilled such as used oil, oily rags and absorbents, aerosol cans, antifreeze, fluorescent lamps, lead acid batteries, paint related waste.	<div><div></div><div>518</div><div>2020</div></div>	<div><div></div><div>566</div><div>2021</div></div>	<div><div></div><div>547</div><div>2022</div></div>	We remained consistent in the percentage of hazardous waste diverted from landfill by working with our recycling partner.
E-waste reused and/or recycled kilograms (kg)	E-waste reused and/or recycled after equipment is taken out of service through obsolescence or breakdown. ⁽⁵⁾	<div><div></div><div>N/A</div><div>2020</div></div>	<div><div></div><div>4,608</div><div>2021</div></div>	<div><div></div><div>2,803</div><div>2022</div></div>	Wajax is recognized by the ERA for e-waste donation. The amount of equipment recycled in 2022 was lower due to the cyclical nature of electronics obsolescence.
Tonnes of CO ₂ equivalent (tCO ₂ e)	tCO ₂ e avoided from non-hazardous waste diversion from landfill (recycling cardboard, paper, plastics, wood, metal).	<div><div></div><div>1,407</div><div>2020</div></div>	<div><div></div><div>1,859</div><div>2021</div></div>	<div><div></div><div>1,937</div><div>2022</div></div>	2,458 tCO ₂ e GHG avoided through recycling and waste management program expansion.
	tCO ₂ e avoided from hazardous waste diversion from landfill (oil and solvent recycling).	<div><div></div><div>547</div><div>2020</div></div>	<div><div></div><div>686</div><div>2021</div></div>	<div><div></div><div>521</div><div>2022</div></div>	

(1) Scope 1, 2, 3 GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Accounting and Reporting principles.

(2) GHG Scope 1, 2 emissions: GHG emissions variance due to real estate mix, acquisitions, and changes in emission factors.

(3) GHG Scope 3 emissions: downstream transportation and distribution, and air business travel only reported at this time.

(4) Energy consumption: 2020 established as baseline.

(5) E-waste: equipment reused or recycled through Electronics Recycling Association (“ERA”).

(6) Increase in diesel consumption and associated Direct (Scope 1) GHG emissions due to fleet size from acquisitions in 2021 and better-quality data.

Wajax believes that employee safety, health and wellness is critical to the overall strength and performance of our business, and our goal is to provide meaningful opportunities throughout employment, including recruitment, development, retention and support of employees of all backgrounds. We also believe that being a good corporate citizen goes beyond just providing employment. We want to invest in and contribute to the communities that we are part of across the country.

Safety Remains a Core Value

In 2022, our diverse team of 22 trained environmental, health and safety (“EHS”) professionals continued to focus on safety, implementing a fresh back-to-basics safety plan, expanded training initiatives, and new safety programs spanning incident investigation, respiratory protection and hearing conservation. The New Hire Orientation Program was revamped to reflect specific job types, including situational awareness training for safety-sensitive roles. 1,259 employees have been trained in situational awareness since the program moved online in 2020, including 315 in 2022. We also implemented safety leadership training for new supervisors and managers to provide them with an overview of the Wajax safety program and culture while building foundational leadership skills. New Wajax-specific safety training programs were also developed (e.g., Lockout-Tagout protocols) and were completed by 692 employees.

Managing EHS Risk Across the Business

Wajax has a third-party contractor management program to minimize the risk associated with third-party work to ensure accepted safety standards are met and contractors are trained and competent for any tasks performed. Exposure to contractor related risk is low at Wajax with most of the safety-sensitive work performed by trained Wajax technicians.

To avoid business disruption, a Crisis Management Team and an emergency alert system is in place with a three-tier escalation process for response based on severity and potential impact to the health and safety of employees, IT infrastructure and business continuity.

Key Indicators of Safety Performance					
Priority	Objectives and Target	Metric	What it Measures	Data	Discussion and Progress
Continuous safety Improvement	TRIF <=1.0	TRIF	Overall safety performance of the organization. A TRIF rate of 1.00 or less is considered exceptional for companies performing high-risk activities.	<div><div>1.39</div><div>1.08</div><div>1.02</div><div>0.84</div></div> <div><div>2019</div><div>2020</div><div>2021</div><div>2022</div></div>	2022 was our safest year on record.
	MVA rate <=1.00	Motor Vehicle Accident (“MVA”) Rate ⁽¹⁾	Safety performance of a vehicle fleet. The MVA rate is an industry accepted metric to evaluate fleet safety performance. An MVA rate <1.00 is considered best in class.	<div><div>3.20</div><div>2.66</div><div>2.23</div><div>0.71</div></div> <div><div>2019</div><div>2020</div><div>2021</div><div>2022</div></div>	The MVA rate definition was adjusted in 2022. Only incidents where Wajax was at fault, a recordable injury resulted, or damage exceeded \$5,000 are calculated in the MVA rate. For comparison purposes, the 2022 rate would have been 2.69 using the old methodology.
	Corrective Actions >90%	Corrective Actions Closed on Time Average Score (%)	Items requiring follow-up identified through inspections, audits, observations and incidents are each assigned a due date.	<div><div>92%</div><div>95%</div><div>95%</div><div>92%</div></div> <div><div>2019</div><div>2020</div><div>2021</div><div>2022</div></div>	The 90% target was met in 2022. The EHS team monitors and provides support to ensure corrective actions are completed and implemented.
	Average Score >90%	Branch Health and Safety Evaluations (%)	Compliance with Wajax standards and occupational health and safety legislation. A 90% grade required to pass.	<div><div>92%</div><div>86%</div><div>86%</div><div>88%</div></div> <div><div>2019</div><div>2020</div><div>2021</div><div>2022</div></div>	The fallout of COVID-19 has impacted audit grades since the beginning of the pandemic, however there was improvement in 2022.
	Successful re-certification of all COR certified branches	Certificate of Recognition (“COR”) scores (%)	Confirms our adherence to industry-best safety practices. External audit every three years and a maintenance audit in subsequent years.	<div><div>94%</div><div>100%</div><div>98%</div><div>86%</div></div> <div><div>2019</div><div>2020</div><div>2021</div><div>2022</div></div>	Thirty branches are in the COR program. 2022 was a self-assessment year (action plan in lieu of an external maintenance audit).
	LTIF <0.10	Lost Time Incident Frequency (“LTIF”)	The number of lost time injuries for every 200,000 hours worked, which represents approximately 100 employees. An LTIF of <0.10 is considered exceptional for companies performing high-risk activities.	<div><div>0.52</div><div>0.31</div><div>0.46</div><div>0.16</div></div> <div><div>2019</div><div>2020</div><div>2021</div><div>2022</div></div>	LTIF in 2022 showed significant improvement and was our lowest rate in the last four years.

(1) MVA Rate = Total number of motor vehicle traffic collisions x 1,000,000 kilometers / number of kilometers driven (does not include Tundra Process Solutions).



Wajax is committed to a diverse and inclusive workplace, which includes both internal initiatives and work with third parties to promote gender equity.

Strength in Diversity

Wajax believes that organizations benefit from having a more diverse workforce, supported by a strong culture of equal opportunity and belonging. Our diversity goal is to attract, retain and develop a diverse and skilled workforce that best represents Canadian society, and to provide a work environment that values and utilizes the contributions of employee's diverse backgrounds, experiences, and perspectives.

Embracing Diversity and Inclusion

In 2022, we continued to build our partnerships with Women Building Futures and Indspire, as well as internally through groups like the Wajax LGBTQ2S+ Community and the Wajax Ukrainian Community. More broadly, we continued to raise awareness around the importance of diversity and inclusion by celebrating events throughout the year including Black History Month, Pride Month, and the National Day for Truth and Reconciliation.

Our recruitment team is focused on presenting a diverse group of candidates to hiring managers, and training for managers was completed to reduce unconscious bias in the selection process. 150 leaders also completed the "Diversity, Equity in the Workplace" course, a three-hour live virtual workshop.

Through these initiatives we successfully onboarded new female technicians and Ukrainian refugees. Through an ongoing pay equity assessment, we determined there was no overall existing gender wage gap at Wajax. Effective in January 2023, and to further support those who identify as female at Wajax, we partnered with Catalyst – a premier global non-profit organization whose stated mission is to advance gender equity through workplace inclusion.

Diversity			
Priority	What it Measures	2021	2022
Diversity and Equal Opportunity – Continuous Improvement	Percentage of Women on Wajax Board of Directors	36.0%	44.0%
	Percentage of Women in Senior Management ⁽¹⁾	25.0%	13.0%
	Percentage of Women Direct Reports to Senior Management	(2)	48.0%
	Percentage of Women at Wajax	19.6%	21.0%
	Percentage of Women in Operational Roles (Technician, Warehouse)	8.3%	10.0%

(1) Composed of Wajax's corporate officers. Representation reported is based on voluntary self-identification.

(2) Comparable data not available.

Building a Culture Around Learning and Development

Learning and development remains an important part of the Wajax employee experience. As an organization we have prioritized access to tools and training that allows employees to excel and advance in their career. In 2022, we replaced our existing learning management system with a new platform, offering enhanced functionality, an improved user experience and better reporting. In 2022, Wajax employees took more than 61,000 hours of training including on-the-job training hours, Wajax University courses, and internal and third-party technical training. This was up 26.4% over the prior year. A core area of focus in 2022 was on customer service where we continue to work to improve our performance by piloting and adopting industry-leading development content. A year ago, we embarked on a multi-year project designed to establish dedicated learning paths for each position at Wajax, with an initial focus on strong areas for growth. We are also continuing to focus on management and leadership training focusing on foundational knowledge, more advanced leadership practices and longer-term career advancement.

Learning and Development			
Priority	What it Measures	2021	2022
Learning and Development	Employee Training Hours Total	48,361	61,120
	Environment, Health and Safety Training, Hours	19,864	27,303



A group of Wajax employees pose in front of the Mississauga Fire Service's "Pink Truck", which helps to raise breast cancer awareness. In 2022, Wajax employees raised close to \$25,000 for the Canadian Cancer Society through events like the annual Run for the Cure.

Delivering on our Commitment to Communities

Wajax has a long-standing commitment to supporting the communities we are part of. In recent years we have increased the number of charitable organizations we sponsor. In the last year we continued our support for the Canadian Cancer Society, Food Banks Canada, Indspire and Kids Cancer Care Foundation of Alberta, while also contributing to humanitarian relief efforts through the Canadian Red Cross for the Ukraine and Atlantic Canada following Hurricane Fiona. As a result, we set a record for annual charitable giving at Wajax, which was up 108% compared with 2021.

Communities			
Priority	What it Measures	2021	2022
Community Service	Charitable contributions to strengthen our organizational culture and our communities	\$125,000	\$260,000

Helping to Maintain Employee's Whole Well-being

At Wajax, we care about our employees' health and well-being. Our long-term strategy continues to focus on the whole person and an array of programs, services and resources were offered in 2022 to support employees and their families with managing their mental, financial, and physical health. In 2022, we were recognized by the Canada Awards for Excellence, achieving Gold certification in Healthy Workplace® and Mental Health at Work®. The Canada

108 Wellness Champions helped engage employees and promote our programming nationwide.

Awards for Excellence are the most prestigious organizational award program in Canada for recognizing organizational performance. Working collaboratively with the Learning and Development team, the Health and Wellness team updated the in-house Mental Health and Wellness Training program in 2022, with training to be launched to all employees in March 2023. Wajax's first summer Wellness Challenge launched in July 2022 with employees making submissions to show how they were staying active and focusing on their physical and mental well-being. The Helping Hands initiative continued to be promoted and used by employees in 2022. It allows team members to offer financial assistance and support to colleagues and/or their family members who are in need following a major life changing event.

Working to Drive the Highest Levels of Employee Satisfaction

Wajax wants its employees to thrive in their roles and enjoy long and successful careers with the organization, while enjoying positive work-life balance. Each year, we conduct our Voice of the Employee survey, which provides team members with the opportunity to share their feedback confidentially, on how Wajax is doing, and what improvements can be made. The results and feedback are reviewed and local action plans are implemented to help drive positive change.

Voice of the Employee			
Priority	What it Measures	2021	2022
Employee Survey Feedback	Employee Net Promoter Score SM (eNPS)	+21	+25

Governance

Wajax values its reputation for fair dealing and integrity and is committed to upholding high ethical standards in the conduct of its business. Earning the trust and confidence of our customers starts with having high ethical standards and strong governance practices in place.

Setting a Highly Ethical Standard

Wajax's Code of Business Conduct (the "**Code**") sets out expected behaviour and conduct for all employees and directors. The Code sets forth important guiding principles regarding dignity, respect, and fairness in the workplace, and sets a clear "zero tolerance" approach for bribery and corruption in Wajax's business dealings and relationships. The Corporation has implemented online anti-bribery and anti-corruption training for all managers, and they are required to complete this training every 24 months. Wajax also maintains an ethics hotline, dedicated e-mail account and post office box where concerns may be reported anonymously; all submissions are investigated and reported on to the Audit Committee of the Board of Directors.

Clear Expectations of Our Team Members

To supplement the principles set out in the Code, Wajax has comprehensive policies in place that clearly spell out the Corporation's expectations in specific areas. Each year all employees are required to review and acknowledge the following policies:

- Code of Business Conduct
- Violence and Harassment in the Workplace Policy
- Alcohol and Drug Policy
- Environmental, Health and Safety Policy
- Health and Wellness Policy
- Acceptable Use (Information Systems) Policy
- Travel, Entertainment and Expense Policy
- Social Media Policy
- Cyber Security Training

Selected employees also must sign off on Chart of Authority and Customer Facing Project policies.

Committed to Sound Corporate Governance Practices

As a publicly traded company, we take our obligation to adhere to sound corporate governance practices very seriously and believe that they are integral to the creation of long-term shareholder value. Our board is strong and experienced, and our directors possess the appropriate competencies, skills and personal attributes to effectively discharge their mandate. Our corporate governance practices are more fully described in our annual management information circular, which is publicly filed and available via SEDAR. A summary of key corporate governance practices is set out in the adjacent table.

Committed to Sustainability

Wajax's board is committed to sustainability, viewing it as essential to being a good corporate citizen and the long-term success of the Corporation. In 2022, we enshrined ESG oversight in our Board Mandate and the Charters of the Governance, Audit and Human Resources and Compensation committees of the board. The board and its committees oversee and monitor the Corporation's approach, policies and practices related to ESG matters, which includes policies proposed by management in respect of environmental, health and safety issues and reviewing regular management reports on the operation of the Corporation's environmental and occupational health and safety management systems.

Key Corporate Governance Practices

Independent board – 89% of directors are independent⁽¹⁾

Independent committees – 100% of board committees are independent

Equity ownership – directors and certain senior officers are required to own shares or have an equity interest in the Corporation to further align their interests with those of shareholders

Non-executive chair – separate Chair and CEO positions and an independent Chair of the board

Majority voting for directors – the board has adopted a majority voting policy

Strong risk oversight – the board and its committees oversee risk management and strategic financial and operating risks

Formal board evaluation process – the directors evaluate the board, committees, chairs and individual director performance every year

Board renewal – the board has adopted age and term limits for directors

Board diversity – the board has adopted a diversity policy, including a target of 30% for the number of women on board, and 44% of directors are women⁽¹⁾

Independent advice – each board committee has full authority to retain independent advisors to assist them in carrying out their duties and responsibilities

Code of conduct – directors, officers and employees must comply with the Corporation's Code of Business Conduct and confirm their compliance every year

Say-on-pay – an advisory vote on our approach to executive compensation has been held every year since 2013

No overboarding of directors – no director sits on more than two other public company boards

No stock options – no stock option awards for directors and officers

(1) As of the date of this report.



2250 Argentia Road
Mississauga, ON L5N 6A5
Telephone: (905) 212-3300
Fax: (905) 212-3350



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wajax.com